GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:5607
ANSWERED ON:02.05.2005
DEVELOPMENT AND STRENGTHENING OF AGRICULTURE MARKETING
Barman Shri Ranen;Choudhary Smt. Anuradha;Khan Shri Mohammad Tahir;Kushwaha Shri Narendra Kumar;Munshiram Shri

Will the Minister of AGRICULTURE be pleased to state:

(a) whether a Committee was set up by the Government to suggest measures for the development and strengthening of agriculture marketing system;

(b) if so, the recommendations made by said Committee;

(c) whether the said Committee has also pointed out the drawbacks in the policies formulated by the Government in this regard;

(d) whether the Government proposes to encourage the private sector participation in order to expand marketing base; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI KANTILAL BHURIA):

(a) Yes, Sir.

(b) Major recommendations of the Committee are as follows:

(i) Government need to examine existing legal framework governing the institution of regulated markets and remove ail such restrictive provision which inhibit growth of a competitive marketing structure in the country.

(ii) Government need to promote direct marketing of agricultural produce by the farmers to maximize their share in the price.

(iii) More commodities should be added to the list of commodities allowed for forward and futures trading to reduce price risk and to facilitate integration of domestic market with international markets.

(iv) Government should promote development of national warehousing receipt system for agriculturalcommodities to induce increased flow of funds to agriculture sector and to increase price risk management.

(v) Credit policy of the Government should support pledge financing by treating it as priority sector lending to agriculture with the facility of concessional re-finance.

(vi) Government need to promote marketing extension, training and research and use of information technology in agricultural sector to advise the farmers on (a) product planning, (b) market information (c) securing markets,

(d) alternate/direct marketing, (e) improved marketing services including grading and packaging, and advantage of group marketing.

(c) The Committee has suggested various legislative reforms as well as the reorientation of the policies and programmes for development and strengthening of agricultural marketing in the country.

(d) Yes, Sir.

(e) The State Government have been advised to amend the State law dealing with agricultural marketing, viz. Agricultural Produce Marketing (Regulation) Act {APMC Act) in order to allow development of competitive markets in the private and cooperative sectors and to encourage direct marketing and contract farming programmes. With a view to attract private sector to take up market infrastructure projects, the State Governments have been requested to extend support in allocation of suitable land to set up agricultural produce markets,and in deregulation of areas where new markets will be set up from the purview of the APMC Act.